SYSTEMS DO NOT WIN

Henry Clews On the Ups and Downs of Speculations

LOSS AND GAIN SIAMESE TWINS

Pallacies in Figures That Have Led Elsen Winards of the Street Astray. A Truth That Never Falls.

All business men nove a natural maxier to practice them than to be constantly seeking new paths. And, if found to be safe and profitable, the sense of sequelty is an additional pleas-It is like salling over a guarantool manoth wa before a guaranteed good wind. The difficulty consists it getting faultless systems, just as sailors experience difficulty in getting guaranteed waves and winds.

Quite often, however, people meet you and labor to impress upon your at-tention the aptness and benefit of certain systems of operating in the stock market, which reduce risks to a min-turum and confer large profits. Some-times such plans are advertised in the financial announcements of the daily papers: by which, to quote them ac-curately: Profits are rendered certain, and lesses impossible." The discoverers of these panaceas against poverty, these varieties of perpetual motion on the up-grade of furture, generously offer to let you work their systems on half profits, you, of course, furnishing the capital. One might say: "If your rules are so absolutely sound, why should you give away to the public one half of their advantages? People with piams do not as a rule go out into the highways and insist on sharing with the needy." And if the discoverer of these golden secreta pleads want of capital one might remind him that it would be more profitable to borrow at thirty per cent. a month than to give away lifty per cent. a week in profits: or even fifty per cent, a mouth if the system requires that length of time to ripon its fruit. Whatever excuses the ingenious artificer of systems may have for not turning the crank himself, the bottom reason is protty sure to be that which actuated the fox to advise all other foxes, in congress assembled, to have their tails skillfully cut off. No matter how wise or learned men become even in the nineteenth century, there is always some good lesson to be picked up in the Fables of Asop.
Every alleged safe stock-dealing sys

ten is built upon laws, but, although a foundation may be ever so good, if the underplaning of the structure is defec tive, its flaws will certainly cause the ouse to tumble. And when a set of



laws is used as a basis, and another set of laws whose operations are hostile and destructive to the former is igmored, there is sure to be disaster. Nearly all systems of stock dealing disregreed the lancy of expense as working in the terest and commissions continualby and of the operator; the fact being that there most important enemies of profits never denist from work.

illow has west andem, frequently advocated based on the law that losses should be curtained at the outset and produce aure I to florir fullest growth, all not invertably when your purdyaps one point; and hold on in econo nil a rise ontil at least five points have been renound. Then, since the changes of falling and rising are about the same you will lose one dollar and win five, which is a clear gain of four. And ween if you lose these times where you will once, you still make morey, and this is what you are trying to do. And con thall your losses, which his is proposed and reach fragion.

This hall clame is the one good feanew of the ameloys. In other respects he has not morries as anyone will dissover who tries it. It depends for its value upon the truth of a supposed fact that the canners of a rise and fall in any given speck are about equal. Spell a supposition might be entertained by an inmate of an insane retreat. but a thinking mun has no use for it. No matter what the stock may be, there are at any given time an indefinite I might say infinite, number of former at more either to depress or elevate its price; or, with greater accuracy, working in unequal factions both to depress and elevate. During certain periods one of these factions will be stronger thus the other; and, of rourse, seentually the balance will be shifted; but he man can say when that sent will owner.

Now on this system a person buys . hundred shares of shorte at, let us say, so. It drops at open to so. He sells and leses a hundred and twenty-dec dollars. Then being at 40, it has substantiully the suntrainment of a rise or fall that it had below. Suppose it rallies to M. our systematic friend has had his home for not bing, and there is absolute-By not one grain of conscistion in his loss except birt he has adhered to his

four empress the stock falls to sa Then he has the estimated of having sevent a bundled dollars it to burn in again. On his system he ones buy in again, and the strek drops to st. He soils out and once more luces a huncircl and tossum des dollars. Total loss two hundred and fifty dollars and mothing to show for it.

Or emprove that having perchased at M. the shock rapies to M or even so completed His systems forbade him to sell out at dest man.

ions than at; and even if he violates it and sells at 10, he makes only fifty del-lars. His first loss was one hundred and twenty-five, and his gain is only a bundred and seventy-five; each hun-ired shares being middled with twentyfive deliars commissions, and in addi-tion he has departed from his system, and it may be that he is purished for it by seeing the stock mount within a week to-fit.

But the short distance which we traveled on the path of this system hows how illusory it is. Force may be at work able to drive the price steadily down day by day from 50 to 70 or 60; and if it requires thirty days to do this, our system follower may lose a hundred dollars thirty times over and twenty-five dollars commission thirty times over, and thus find himself at the 60 point without any stock and out of pocket three thousand and fifty dollars. If he held on to his original purchase by investing three thousand dollars, he would only be three thousand and twenty-five dollars out of pocket, and would have the posession of the equity in a hundred

Such changes as that stocks should fall to two-thirds of any prevalent quotation are not unknown; they are hardly unusual. And they need not develop such capacities for sinking in order to demonstrate the fallacy of any system that is based upon the supposition that there is a negative supposition that there is a negative transfer or sinking in order to demonstrate the fallacy of any system that there is a negative transfer or sinking in the same of the supposition that there is no negative transfer or sinking in the same of the position that there is a regular recur-rence of short time oscillations of val-ues. There is no regularity in stock exchange prices. Is there any regularity of waves on the ocean? All the water is all the time seeking an equilibrium, but what peculiar modes it has for attaining it! We have calm seas, chopping seas, strong and still stronger swells, and now and then mighty and overwhelming surges, that rear up into mountains and disclose frightful abyses, into which no ship can venture and live. The "equilibrium of trains" on the stock explanation rium of values" on the stock exchange is as fatal to the system just considered as the "hydrostatic equilibrium" of the Atlantic would be to a rowboat.

Another neat system is known as the "Pyramid," and is about as follows: You buy a hundred shares at 90, and deposit five hundred dollars margin. The stock goes to 98. You have now five hundred dollars paper profit. Do you take it in cash? No, but you buy another hundred at 95 decestions to another hundred at 95, depositing five hundred dellars more with orders to your broker to sell the two hundred hares at the first drop of one per cent. If the stock drops to 94 you sell out, and take a profit of four hundred dollars less commissions and interests. But let us follow up the "Pyramid." The stock rises to one hundred, you have fifteen hundred dollars paper profit. You then buy another hundred shares; still under the same order to sell if a drop of one per cent. occurs. It rises to 105 and you have three thousand dollars profit on your three pur-chases. Your pyramid now becomes truncated by a drop of one per cent, and you retire with a net cash profit of twenty-seven hundred dollars, less interest and commission.

It will be seen that this is a beautiful system if it works. But it doesn't always work. For instance, stocks do not always rise when you buy them. Thus at the outset your pyramid may be a hole in the ground, and not a pyramid at all. But if is youd the first tier of masonry where you have a paper profit of \$500 and you buy another hundred, thus laying second tier, and a drop comes, this drop may not be a single one percent. Stocks sometimes drop five per cent. before a broker-even of the most active type-can market them. Then the pyramid suffers a shock like that given by an earthquake. Having risen like an exhalation," it disappears as quickly as Aladdin's palace when carried off by the Genti of the Lamp.

As a matter of fact pyramids sometimes succeed and sometimes they don't. But it is the nature and essence of a system, without which a so-called system is not a system at all, that it shall always succeed, or at least almost always. We buy friction matches on the certainty that they will ignite when rubbed; locomotives on the certainty that they will move along when fired up. But if a pyramid can sometimes be built and sometimes not, the chances being more negative than positive, it is certainly a forbidding and unattractive investment. That a pyramid should be worth anything demands the condition precedent that a stock should steadily rise a certain number of points, say fifteen.

Another system is that of the averages. Nearly every stock that is dealt in on the stock exchange has a history running through a series of years, made up of daily sales, and the average price of any stock is therefore a matter of exact calculation, that is, its past average price. The follower of the "average system" takes as the basis of his operations the supposition that the average that is to be will correspond with that which has been, in might be a fair supposition in regard to temperature in any given latitude in a settled country, but which is evidently unsound when applied to the values of a property as to which the conditions are all the while changing. The railway A B connects two important towns A and R. It is a direct line, honestly capitalized, and does a profitable business without competition. It has paid dividends from the start, and its market price has a positive average.

Now let us suppose that the directors of this road proceed to extend it at one or both ends in search of problematical business, and attach lateral feeders or suckers to the main line; and that these transactions are managed with a view to dishonest construction profits, as they often are, and on visionary plans of advantage Of how much value are all calculations based on the average prices during the years before this financial riot began? Mainly of no value at all. This may be said to be an extreme case; but extreme cases which go a great way indicate clearly that less extreme cares may coally go a less distance; and that the causes operate in the like direccorporate properties are always changprecisely like those affecting individuals. A merchant is prosperous one year; next he loses half his proper-A man has enjoyed fine health during ten, twenty, thirty years. Some day you read his oblinary notice In the paper. Conditions change and destinion with them. The Average System." as a system, is hardly to be

considered by any reasonable or pra-

Then there is the system of buying a stock when it has gone down to a point which it never reached before, or of sell-ing when it has reached an unprocedented height. There are not so many weighty objections to this plan, but opportunities to practice it do not often occur, and even when a stock that has never fallen below fifty falls to forty, special eactes may be at work that shall drive it down to twenty, or even annihilate it; and if it rises to a point never reached before that may be only a stepping stone to a further rise. Even this comparatively reasonable system to avail of which you may await the "moving of the waters" during entire years, is not absolutely safe. In this system also durks what the mathematicians style the "indetermin-

Some ingenious operators have a fancy for dealing against incurance by "Puts and Calls" as a source of profit and a protection against loss. In almost may state of the market a capitalist will sell you the privilege of delivering him a few stocks at a lower, or of calling on him for a stock at a higher price than the market price of the day. Taking the A. B. railroad shares at 90, you may deliver him, that is, "put to him," 100 shares within sixty days at 85; or you may call on him for 100 shares within sixty days at 26. You pay your money, one hundred dollars, two, three hundred, more or less as the case may be, and you take your choice. Having bought the "put" let us say you proceed to use it as an insurance against loss by buying a hundred shares in the market at 90.

The stock will either stay at 90 o rise or fall. If it rises you sell and reap a profit; if it falls, you lose on your purchase, but you approach a point where your put may become profitable. But if you have bought real stock at 00 and hold onto it, and the shares fall to 83, and you put the stock to the capitalists at S5, you cer-tainly make two hundred dollars, which is probably about what you paid him for the privilege, and you have lost (at least on paper) seven hundred dollars on your real purchase. Many people might inquire where the bene-fits of the "put and call" insurance come in. I answer, as the Jersey schoolmaster was wont to answer pupils whose questions sank the plummet into too deep waters for him to follow it: "This is a question of your own

The capitalist who sells the privilege presumably has a better forecast of the market than you have. He sells his wisdom at a profit; you buy the fruitage of him, and he gets the better of you at the start. Then the market is before you with all its chances. With your put in your pocket, you may buy A B ten times over at 90 and sell it at a profit each time; but you could have done the same without a put; and vice versa. You have howif the stock falls you cannot lose be-youd a certain definite amount pro-vided you market your purchase, that is your 100 share lot, at the same time that you avail of your put to the capi-talist. But you could have limited your loss just as well and much more cheaply by ordering your purchase to be sold at a definite point of drop, say one or two per cent.

The put and call system does not exempt the operator from any of the vicissitudes of the market, however attractive it may be to a person to buy chances of an experienced capitalist who makes it his business to sell chapees as a means of profit. The capitalist sets up the goods in his shop window for his own benefit; and you need to be exceedingly sagacious or exceedingly lucky to beat him on his own terms.

Shall we then say there is no safety in Wall street? By no means. There is always good property to be had if you have the means to buy it, and when in times of money scarcity the man with money comes into the market and buys dividend-playing securries of long standing, and secure foundation, from people who are obliged to sell to meet necessities, he is pretty sure to buy what he can sell at a latter day at a liberal profit. And whether he buys outright for cash or on a full and adequate margin, the principle is the same; except that as to margin purchases the yield of profits is at a greater ratio to the amount invested than on purchases outright.

All systems of money making de-pending on fluctuations of price should be looked at through the compound lens of this truth, that wherever there is a chance of gain there is also a chance of loss. Loss and gain are only opposite ends of the same rope. They are the same account-head in every ledger, and are as inseparably united as the Slamese twins. This law is inexorable, absolute and operates all the time. To attempt to override it by the aid of systems of whatever nature is irrational. And the only eulogy to be bestowed on systems, as applied to financial hazards, is that some are not as irrutional as others.

HENRY CLEWS.

QUEER PARTNERS. A Man and a Cat, Both Deaf, Who Work for Uncie Sam.

The existence of a singular bond of sympathy between a human being and a dumb animal, both similarly affected, is conspicuous in the New York general post office. It is between a man and a cat, both stone denf. Gustav. Fersenheim is the man's name. He is sixty years ald and has been in the service nearly a quarter of a century. The cat's name is Dummy. The department where the afflicted friends are in daily communion is the third

Dummy is one of the thirty fellines that Uncle Sam maintains in the big granite pile to keep out rate and mica. How Fersenbelm's attention was first attracted to her is not evident, for Dummy is an understant black out, lame to the right bind leg and stubtailed. About six months ago, however Persenheim began to but her delicacies at the risk of incurring Sam's displeasure by infuring

her assistance as a moster. Recry day at noon Fersenheim feeds. Dummy, after cating his own bunchesa. She manifests her gratitude by a faint purring and an arching of her back. Her twenty-eight furry companions would enrichely around, and in the distributed corner of the basement their green eyes sufficiently attest their teniousy. The other cuts try all their personaire powers on Fersen-

house, but he is tenn to his ped. The Hitele black out is so bright-eyell and sprightly in her movements that it is hard to convince strangers that

she is really deat. Personbeim's abnormally quick over detects the took of incredulity that filts over the onlocker's face, and he points first to the cat's ears, then his own and gives a reas-suring look and a convincing not. If a doubt still remain, some oblig-

ing clock will heap high in the eir and hight on the floor with a noisy stamp a few inches to the rear of lummay's tail as the cut site on the floor. She will not move a muscle. If after this the ghost of a doubt haunts the vis-



iter's mind, other obliging elerks will scase a great truck and run it thunder-ing past the cat, all but over her funny tail. She does not etir. Then they will run the truck close in front of her and she will jump aside to avoid all possible danger.

A few weeks ago Dummy gave birth

to three kittens. Ferenheim adopted them at once, and when they get old enough they will undoubtedly share the tidbits dispensed at luncheon time.

THE MALAYAN TAPIR.

One of the Quer Creatures New on Ex-hibition in London.

An addition of special interest has just been made to the collection of ani-mals in the Zoological society's garden, Regent's park, London, England, in the form of a nearly adult specimen of the Maiayan or Asiatic tapir. It is only at very long intervals that speci-mens of this interesting animal have been obtained—the first being in 1840, the second in 1850, one in 1882 and the present example which arrived last week. The home of the tapir is in Central and South America-where there are three well-known species viz. Baird's tapir, the hairy-eared taph and the common or Brazilian tapir. Of the latter there are always living speci-



THE MALAYAN TAPIR.

ms in the gardens, where they have bred with telerable frequency. The Malayan tapir has only been known to European naturalists since 1816. The specimen from which our illustration has been taken is a male, and has been deposited by Hon. Walter Rothschild, F. house set apart for the exhibition of rebras and wild asses. It is perfectly tame and docile.

CRADLE OF WARSHIPS. Head of the Firm Which Builds Our

Since the United States has begun to make protensions as a navul power the American people have acquired a lively interest in naval architecture and can give you off-hand an elucidation of all the points of difference between a cruiser and a line battleship and an accurate comparison of the naval strength of the great nations of the earth. To these nautical amateurs a most interesting institution is the great shipbuilding yards of William Cramp & Sons at Philadelphia, where many of our latest, largest and fastest

cruisers were built.

William Crump, the founder of the firm, commenced business in a modest way in 1820, building wooden and steam sailing vessets. Two sons, Charles II. and William M. Cramp, were admitted into partnership in 1857, and in 1863 three younger Cramps became members of the firm. Charles H. Cramp stands at the head of the firm as at present organized. He looks after the social interests of the firm -a very important department when it is considered that the concern has constantly a number of important contracts with the government involving many millions of dollars. Mr. Cramp has travaled extensively in foreign lands and has a large circle of friends, with whom he is very popular. He dresses in conventional business style and usually wears a high hat.

Since the downfall of John Roach's firm at Chester, Pa., the Cramps are known as the largest shipbuilders in



the country. The firm has been emfnently successful in its enterprises. and not only built the factest cruiser to our pavy, but has turned out many private yachts ociebrated for their elegance and speed, including by Gould's Atlanta, Actor's Nourmahai, Vanderbile's Alva and Bennett's Noumania.

W. H. Cramp, one of the junior memand has charge of the fifteen hundred men employed there. The yards oc-cupy about three hundred and fifty serves and are auttraly occurred by shipways, mechine shops, foundries and

WILFRED LAURIER Lender of the Liberal Party to the Cana-

It is not too much to say that among ment-day Canadians there is no man boster known, more universally admired or more highly extended than Bon. Wilfred Laurier. M. Laurier is a

man of affairs. He is the leader of the liberal party in the Canadian house of commons. He is an eminent jurist. He is a writer of recognised force. He lie is a writer of recognized force. He is an orator without peer in all the length and breadth of his native country. He is absolutely steadfast, absolutely reliable and wholly just. He is a Christian geutleman. M. Laurier is a young man for the position he holds. Born at St. Lin, L'Assomption, Que., in November, 1941, the son of M. Carolin, November, P. L. S. the most leadlus Laurier, P. L. S., the present leader of the libarals came into the world as the desc adant of an excellent French family which had been one of the earliest established in La Nouvelle France. He was educated at L'Assamption college and in 1863 married the beautiful Miss Zoe Lafontaine, of Montreal. It was a romantic court ship, for M. Laurier was then but a ship, for M. Lourier was then but a poor young barrister and she was a beauty and a belle. It has been an ideal marriage, and society has no brighter ornament and leader than Mme. Laurier, while their united home is a synonym for household happiness. After his marriage M. Laurier persist-ed in his legal studies; he had obtained



a decree of B. C. L. at McGill college in 1864, was called to the bar in 1865 and was appointed queen's counsel in 1880. In 1871 he was first returned to the Quebeolegislature from Drummond and Arthabaska, and in 1877 he was returned to the dominion parliament from the same constituency, when he was made a member of the privy coun-cil and given the office of minister of inland revenue. In the parliament of 1985-86 he made his famous speech upon the Riel question, and ever since has been known as the "silver-tongued orator" of the house. When Edward Blake withdrew from the commons the leadership of the party was given to the brilliant young Frenchman, and worthily and well he has filled the high position. He is a ready debater, possessing the gift of words without verbosity and a courtliness and tact that befriend him on both sides of the bouse. In appearance he is tall, slender and graceful, always faulticesly dressed and alert. He is an advanced liberal and believes in commercial reciprocity with the republic.

NATURE'S HANDIWORK.

A Wonderful Cask of Rock in the Moun

For many years Heidelberg universi-ty has had the honor of owning the largest barrel, or "tun," as they call it, in the world. They have had the honor, although it does not really belong to them, for Arizona has a barrel that makes theirs fade into insignit

The one at Heidelberg will not hold Hquid, neither will the one in Arizona. In this they are the same, but are different in many other ways.

Arizona's barrel is the work of nature, and it is on a high peak of moun-



tain, about five miles from Aguas Callentas, which is in the Catalina mountains, about sixteen miles from a rail-

The barrel is one of those peculiar rock formations and is about 200 feet high, and the top of it is at least 2,000 feet above the valley. It can be seen for miles before the traveler gets to it, and its appearance is most deceiving. It requires no effort of the imagination to see the large stensil of Bac-chus perched on its peak with a glass under a fancet as if ready to be filled. A large flasure in a certain spot forms a bunghole. It does not look like a barrel unless seen from the plain; on all other sides it is simply a rugged rock. It is a soft granite formation of vol-

canie origin, and is crumbling to pieces all the time. It is so soft that half a dosen men with picks could knock it to pleces in a few days. But it has had its present form for centuries, and will no doubt keep it until all who can now see it have passed away.



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THAT LITERARY SENSATION IS SAMANTHA at SARATOGA

The book was written under the September of a resource comes "said the world of feathirm at liarnings, the prospining pleasure resource of America, where Polician of the cid world, with Congrussians, Providents, Millberstone, Resilvant Klang, and Princes of Commerce of our cone great antises with their whom stair bounded democrated all the gayout betterfies of Stairon Investigate in bulley browns, display their personal obstains, eastly jevelpassystake equipages, and reveal in

"JOSIAH ALARYS WIFE," In a vets of strong common some that is and innectut as the profile of a child, hereo the mader constantly enjoying

An Ever Fresh Feast of Fun.

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"Wall, she had her skirmell on when I went in, all a framin' and a skirder, down onto the carpet, a gitterin' pile of pick satin and white isce and pessys. Green as such far a priceres."

"At hat Min Flamm spicke and says she, as she kinder eraned homel before the 1 are, "Bow do you like my dress!"

"Oh! "says it, wanter to make myself agreeable, "the chirts are beautiful, but I can't judge how the hull dress looks you know, till you get your waint on."

"My water!" says the. "Yes," says!. "I have get it on." says she.

"Where left?" says it, a lookin' at her closer through my specks. "Where is the water."

"Here," says she, a pintin' to a pint belt ribben, and a string of bands over each manare.

Says I, "Miss Flamm, do you call that a water!"

Says I, "Do you tell me, Miss Flamm, that you are gets" down into that swood of promise one me and winners. with nothin' but them trings on to cover you?" Says I, "Do you sell me that and you a perfesser and a Christian!"

"Yes," says she, "I paid 5000 for this dress, and it haint likely I am going to miss"—

OPINIONS OF CRITICS.

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"It is an evengel of the keenest surcasm on the follow of fashion." - Leathern Clearus.
"So executatingly funny, we had to sit back and laugh until the "ours came." - Fresh's
"Buttenart satists. Contain with the ewesters of RESILABOTHO VIE." - Bishop Present.
"Buttenart satists. Contain with the ewesters of RESILABOTHO VIE." - Bishop Presents.

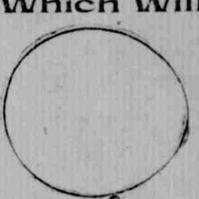
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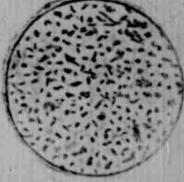
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